

2002 ES Lighting Metrics 1 & 2: Industry Initiatives

by National Grid, NSTAR Electric, Western Massachusetts Electric, Unitil/Fitchburg Gas & Electric, and the Cape Light Compact

The purpose of this paper is to document metrics, ES Lighting 1 and 2 for the Massachusetts utilities – Massachusetts Electric (MECO), Nantucket Electric, NSTAR Electric, Unitil/Fitchburg Gas and Electric, and Western Massachusetts Electric Company (WMECO). These metrics called for the utilities to develop and participate in joint utility/industry initiating promotions both on a regional (ES Lighting 1) and local level (ES Lighting 2).

BACKGROUND

Since 1997, the Massachusetts electric utilities have seen many notable successes arising from its Regional ENERGY STAR® Lighting Initiative. In the residential lighting market, the utilities sponsoring the initiative have helped in the development of an Energy Star rating for CFL products, have seen significant increases in the sale of these ENERGY STAR product and the number of manufacturers producing them, and the number and types of retailers selling those products.

A number of program components have contributed to this program's success. Since 1999, the region has supported an integrated marketing campaign that has included the use of television and radio advertising, motion picture theater trailers, newspaper and magazine advertisements, and point of purchase materials. Even so, the program element that has had the greatest effect on the Lighting Initiative success is the consumer rebate. The Massachusetts program had provided over \$20 million in consumer rebates for ENERGY STAR lighting products going in to 2002, leveraging over \$75 million in sales.¹

In 2001, the success of the Lighting Initiative became increasingly evident. As product market shares increased and retail prices decreased, rebates became less cost effective. Several of the utilities began to encounter some difficulty in controlling their program budgets, particularly for CFL bulbs (15 watts or 60 watt incandescent equivalent). While some control was exerted over expenditures by reducing rebate levels and restricting the distribution of rebate coupons, such strategies were viewed as stopgap measures.

The need to evolve the Lighting Initiative to the next generation led to a re-examination of the direction of the program. The original "Market Transformation" model assumed an increasing level of industry engagement in support of the ENERGY STAR technologies. While much of the program's success could be attributed to the active participation of retailers and manufacturers, many of the industry partners had not made a strong financial commitment to the **marketing and promotion** of ENERGY STAR lighting products. While recognizing that a certain level of market maturity had been attained, the utilities also realized that some level of resource acquisition would still be necessary. In order for the Lighting Initiative to be both successful and sustainable over the long term, there would need to be greater industry participation in the funding and implementation of the program.

¹ "Engaging Industry-Better Their Money than Ours," report written for the American Council for an Energy Efficient Economy (ACEEE), June, 2002 by Glenn Reed (Northeast Energy Efficiency Partnership), Peter Bardhi, (National Grid-USA), Edward Murphy (Western Massachusetts Electric Company) and Subid Wagley (Northeast Energy Efficiency Partnership).

PROGRAM DEVELOPMENT

The Massachusetts electric utilities, in conjunction with the Northeast Energy Efficiency Partnership (NEEP), developed a program to engage lighting industry players, both manufacturers and retailers, in joint promotional activities. After several meetings with industry players both at the ENERGY STAR partner conference in Sacramento, CA in September, 2001 and at a series of subsequent meetings in February, 2002, Invitations to Participate (ITP's) were sent out in April, 2002 outlining the expectations and needs of the NEEP partners.

The ITP's noted several criteria that the Sponsors would use to evaluate any industry proposals. These criteria included:

- Projected impacts/benefits – what are the expected benefits that will be generated by the proposed program activity, e.g., additional number of units sold or stocked, increase in floor space dedicated to ENERGY STAR lighting products, number of advertising impressions, etc.?
- Cost leveraging – what value from industry will the Sponsors get for their contribution to the program concept?
- Ability and willingness to provide product sales, shipment, market share or other relevant data on a timely and ongoing basis.
- Extent of regional coverage and proposed program duration.
- Coordination with other state and federal energy efficiency programs.

INDUSTRY RESPONSES

The lighting ITP generated a very strong industry response, in terms of the number of respondents and the number of proposed program concepts. It was released to over 100 ENERGY STAR lighting product manufacturers and to a number of national and regional retailers, including hardware store chains and home improvement centers. By mid-May 2002, 15 manufacturers and retailers proposed over 25 distinct program activities to jointly implement with the Sponsors.² Proposals were received from both large; national firms (GE and Ostram/Sylvania) and from small/medium sized firms whose principal business is ENERGY STAR lighting products. Respondents included Internet based firms and companies that did not have a significant presence in the Northeast.

Most of the proposals requested that the current in-store consumer rebate dollars be redirected to a manufacturer buy down or to a mail-in rebate. Most of the industry partners did not propose any type of matching per unit contribution. Instead, proposals offered marketing support and/or “aggressive pricing”, with no quantification of the value of these industry contributions. However, most of the proposals followed the specified proposal format and attempted to answer most of the questions in the ITP.

² Ibid

PROGRAMS SELECTED

The Massachusetts electric utilities worked both with NEEP and locally to participate in no less than eight separate industry initiatives with a variety of results. Region-wide initiatives included joint rebate with Sylvania and a product “buy-down” with True Value Hardware Stores (partnering with Westinghouse). Both these initiatives included co-op advertising, with the industry partners providing point-of-purchase (POP) materials and other in-store support. These programs allowed for an elevated rebate level to the consumer, increased public education on these products through advertisement and POP, while at the same time reducing the utilities costs over individualized rebates.

In Massachusetts, the utilities partnered with area retailers Spag’s, Benny’s, Aubuchon’s Hardware, and Rocky’s Ace Hardware, in coordination with smaller manufacturers MaxLite, Harmony, Lightwiz, and Lights of America. In this case, the utilities offered to “buy-down” the retail price of the lighting products in order to make the price of an ENERGY STAR rated product competitive with standard lighting. Manufacturers did provide additional POP material and various co-op advertising buys. The objective of these programs was to increase the variety and shelf space of these products. Additionally, the utilities were able to achieve savings in processing costs, since the “rebating” aspect dealt with a handful of payments as opposed to the tens of thousands of coupons the “instant rebate” program generated.

RESULTS

True Value Hardware/Westinghouse: This promotion was designed to incorporate the national Environmental Protection Agency’s “Change a Light, Change the World (CAL)” program message. This program joined ES partners from across the country to encourage customers to replace standard light bulbs and fixtures with ES qualified lighting product.

The consumer was offered significantly reduced retail prices for ENERGY STAR rated bulbs, fixtures and torchieres purchased at True Value Hardware Stores. True Value ran several television, radio and print advertisements in support of the promotion (with some co-op money from the utilities), incorporating the CAL message. Approximately 36,800 CFL’s and 1,800 fixtures and torchieres were sold in True Value stores during the promotion period at an average cost of \$3.73 per unit. This saved the utilities about \$14,000 in processing fees and had the added value of placing the product in stores that may not normal have stocked them.

Sylvania: This promotion also was designed to incorporate the national CAL program message. The consumer was offered a five dollar rebate by mail for purchasing an ENERGY STAR rated Sylvania bulb. There was also added incentive to submit the rebate, since the form was also an entry for a drawing for a new car. Sylvania provided 40% of the rebate dollars and the car, as well as picking up all processing costs. They also provided POP materials to be placed in the participating stores (BJ’s Wholesale Clubs, Market Basket and Shaw’s Supermarket’s). Sylvania also placed print advertising (with minimal co-op) incorporating the CAL message. Information on the results of this promotion is not yet available.

Local “Buy-Down’s”: This was actually several promotions dealing with different manufacturers (primarily MaxLite) and local retail chains Spags, Rocky’s Ace Hardware, Benny’s, and Aubuchon’s Hardware. The retailer was to present an order to the manufacturer and the utilities paid the manufacturer a negotiated price for selected item that was less than or equal to the previous consumer rebate (\$3.00/bulb, \$10.00 to \$20.00 per fixture). Given that CFL “instant rebate

coupons” were not distributed in the last quarter of 2002 for CFL’s, the utilities used this as an opportunity to increase the *variety* of CFL’s offered to the consumer, focusing on “specialty” bulbs that have historically not been widely available. “Specialty” bulbs were defined as CFL’s that are over 23 watts or had a specialized purpose, such as being dimmable or “three-way” or having a shape other than the standard spiral or tube. In 2001 (Figure 1) and the first three quarters of 2002 (Figure 2), the product mix (Standard vs. Specialty) of CFL’s that received incentives looked like this:

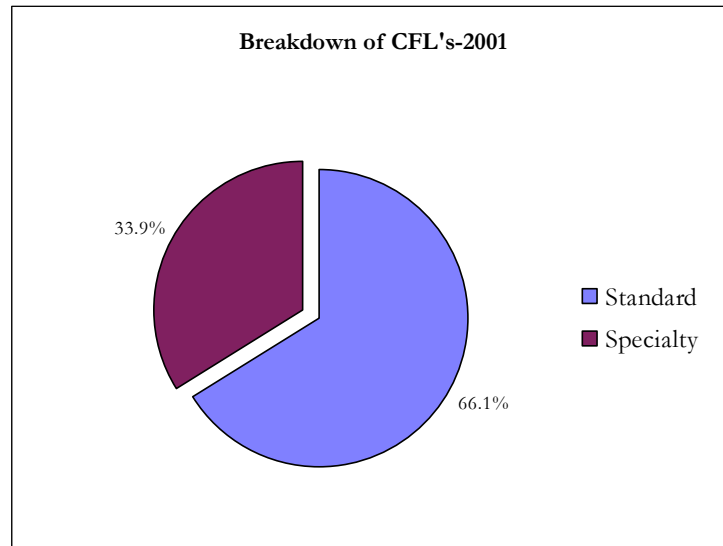


Figure 1: Percentage of CFL's in 2001 (483,789 bulbs rebated)

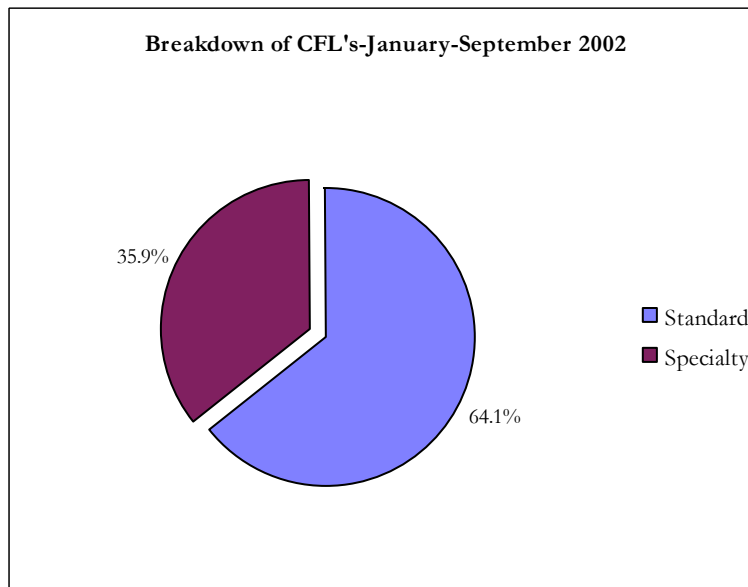


Figure 2: Percentages of CFL's-January-September, 2002 (254,255 bulbs rebated)

Source: Energy Federation Incorporated

Through “buy-downs,” the utilities were able to influence the product mix on the shelves. The resulting breakout looked like this:

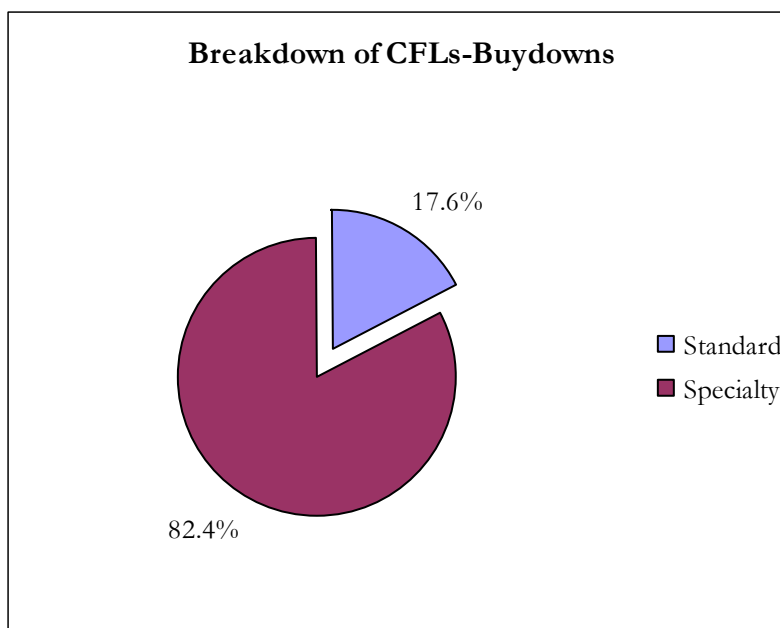


Figure 3: Percentages of CFL's-October-December, 2002 (140,931 bulbs rebated)

Source: Energy Federation Incorporated

Additionally, by using the “buy-down” method as a sort of “en bloc rebate”, the utilities were able to save approximately \$42,000 in processing fees³.

LESSONS LEARNED

As with any pilot program, some “bumps in the road” were encountered. Problems in dealing with industry partners varied from player to player but included:

- **Lack of understanding/desire:** A number of the players expressed frustration at what they considered a “lack of direction” from the utilities. What we thought would inspire creativity, actually created animosity and lack of participation.
- **Direction:** The utilities found that the more “hand holding” that we offered the industry players, the more involved they would become. Only through the due diligence of the utilities and their field outreach contractor, we were able to achieve the level of participation in the program of some of the manufacturers and retailers. (15 manufacturers with 25 proposals)
- **Data collection issues:** Apparently, the regional group did not convey to the industry partners with enough clarity the importance of data collection in our invitations to participate. The result was various degrees of compliance from no data provided to full compliance with lack of proper format.
- **Leveraging:** While some of the manufacturers attempted to use this process to expand into new retail outlets, there is the question of whether the retailer would continue to carry the product beyond the promotion.

³ Figure does not include savings claimed in True Value promotion.

- ***Program definitions:*** Focusing the CFL's on "specialty" bulbs created confusion on what exactly a "specialty" bulb is. Lack of a firm definition in this area, could have resulted in the utilities "over paying" for some items which could be loosely defined as "specialty."

MOVING FORWARD

As part of the regional NEEP effort, the Massachusetts utilities have been working to refine this cooperative promotional effort. Identifying the key shortcomings in the original process, a new format has been developed giving the would-be participant more direction on what types of promotional opportunities we are seeking and clarifying our need for timely and accurate data (see Attachments). The utilities have been pleased with the program results thus far, and feel that it is a positive step in achieving market transformation goals in a cost-effective manner.

ATTACHMENT A

NEEP “Invitation to Participate (ITP) and distribution list

**Invitation to Participate in Joint Program Activities
of the
Northeast Regional ENERGY STAR Lighting Initiative**

Introduction

Utilities in the Northeast have been promoting the manufacture, sale, and use of energy efficient residential lighting products for nearly two decades. Over the past several years many of these utilities have worked together as Sponsors of the Northeast Regional Lighting Initiative to jointly, and aggressively, promote ENERGY STAR bulbs and fixtures. The purpose of this invitation is to further strengthen the Initiative’s ties with the lighting industry by inviting industry to propose and participate in industry-initiated program elements that can be implemented jointly with the Initiative’s Sponsors. The objective of these proposed industry-initiated activities is to allow the Sponsors to more effectively attain their program goals at a lower cost, through greater coordination and cost leveraging, with their lighting industry partners.

The Sponsors of the Northeast Regional Lighting Initiative undertake coordinated program planning, implementation, and marketing activities. Regional coordination of these Sponsor efforts is facilitated by the Northeast Energy Efficiency Partnerships, Inc. (NEEP), a regional non-profit organization dedicated to promoting energy efficiency in homes, buildings and industry throughout the Northeast.

Background

The Sponsors of this solicitation consist of utilities and municipal aggregation groups representing most residential consumers in New England and Long Island. These participating Sponsors provide services to over 5 million homes – representing over 13 million individuals - in nearly all of Massachusetts, Connecticut, Rhode Island, Vermont, parts of New Hampshire, and Long Island. While differences exist across the Sponsors’ current programs, we request that any Industry proposals address the Sponsors, to the extent practical, as a single regional entity. Utility service territory or state-level activities can be pursued directly with individual Sponsors or their implementation contractors.

Attachment A lists the Initiative Sponsors, highlighting those that are participating in this solicitation.

Attachment B summarizes current 2002 lighting program activities for each Sponsor participating in this solicitation; focusing on current rebate offerings.

Attachment C provides additional background on past and present joint and coordinated regional lighting program activities.

Attachment D specifies which ENERGY STAR products – bulbs, fixtures, and ceiling fans - are eligible for participation in this program. An industry proposal may address any or all of these lighting product categories, or target specific product sub-categories such as reflector bulbs, desk lamps, or dimmable bulbs.

Lighting Program Objectives and Potential Program Concepts

The ENERGY STAR lighting programs run by the Sponsors strive to maximize cost-effective energy savings to consumers with a focus on several program objectives:

- Increasing consumer and retailer awareness and understanding of the ENERGY STAR label.
- Having consumers equate ENERGY STAR lighting with quality.
- Increasing the market share and volume of ENERGY STAR lighting sales.
- Having retailers both stock and actively promote all ENERGY STAR lighting products.
- Encouraging manufacturers to produce full lines of affordable ENERGY STAR lighting products.
- Coordinating regional program activities with those of the national ENERGY STAR program.

To better attain these objectives the Sponsors of the Regional Lighting Initiative are requesting that lighting manufacturers, retailers, buyers' groups, and others submit brief proposals for industry-initiated program concepts for consideration. The proposals should detail ways that the industry party could help the Sponsors meet the above objectives. *As noted below, initially these proposals can be provided to the Sponsors in writing or verbally.* Final versions of proposals will, in most cases, need to be provided in writing.

Prior to developing this Invitation to Participate, the Sponsors met in February with representatives from several leading lighting manufacturers and retailers. Based on these meetings, and their own extensive program experience, the Sponsors have identified the following industry-initiated program concepts as being of interest for joint implementation. While the Sponsors have expressed an initial interest in these program concepts, proposals need not address these specific program ideas. We would encourage any industry partner to suggest additional program concepts for the Sponsors to consider. The Sponsors plan at least one further solicitation this year, depending on what proposals are funded from this initial Invitation to Participate.

Potential Program Concepts	
Supercoupon/Valpak Discount Coupons	The retailer or manufacturer agrees to honor discount coupons for a defined set of ENERGY STAR lighting products. The coupons are distributed through direct mail or a third party "Valpak".
Consumer Rebates	These rebates are viewed primarily as an opportunity to support shorter duration promotional campaigns and/or to support specific lighting product categories: reflectors, dimmables, three-way lamps, etc. They would supplement Sponsor-provided consumer rebates and/or promotional efforts. The Sponsors are committed

	to offering lamp and fixture rebates through mid-2002. Some Sponsors will continue to offer fixture rebates through the end of 2002, but no final decision has been made on whether CFL rebates will be offered on a continuous, on-going basis beyond mid-2002.
Manufacturer and/or Retailer Buy-down	Enter into an agreement with manufacturers and/or retailers to subsidize the wholesale/retail price of their products. A per unit price reduction would be agreed upon and paid only for a maximum pre-determined quantity of products sold. No consumer coupons or forms would need to be processed. The retailer and/or manufacturer may want to combine this activity with some form of co-op advertising promotion.
Courtesy/Scan Card Tie-in	Retailer offers a discounted product price that is available through the use of the retailer's courtesy/scan card.
Mail-in Rebates	Develop and implement a mail-in rebate campaign to support the sale of ENERGY STAR lighting products. This may be attractive to retailers that are not currently able to process in-store, instant rebate coupons.
Catalog/Retailer/Manufacturer Tie-ins	Several potential opportunities could be pursued: <ul style="list-style-type: none"> • Allow manufacturers and/or retailers to place coupons in Sponsors' lighting catalogs. • Have retailers and/or manufacturers help support the development and distribution of the catalogs through placement of exclusive paid ads in the catalogs. • Have manufacturers work with discount warehouse chains to place product coupons in their member newsletters.
Social Outreach Activities	Identify and team with local, regional, or national non-profit organizations to promote the use of ENERGY STAR lighting products. This may include donations to housing groups and product contributions to fundraising activities. Work with the program Sponsors to maximize the public relations benefits from these efforts.
Retailer Specific Promotions	This is a relatively open concept category providing retailers and retailer/manufacturer teams the opportunity to develop and implement innovative in-store promotions.
Stocking/Display Incentives	Providing stocking and/or display incentives to lighting showrooms and department stores for mid/high-end lighting fixtures and ceiling fans.
Regional Co-op Advertising	The Sponsors currently have co-op guidelines in place. However, these guidelines are designed to handle relatively small placements. This program concept would support larger advertising efforts to promote ENERGY STAR lighting products. These placements could be in print, TV or radio. For retailers that do not have a region wide presence, the Sponsors will consider proposals with a more limited geographic coverage.
Website Product Sales	Manufacturers, retailers or other companies with an Internet retail presence offer Sponsors' customers ENERGY STAR lighting products for sale at reduced cost and/or provide free shipping. Sponsors could promote the website address through utility bill inserts and their own program websites.
Mail Order/Retailer Coupon Tie-In	For mail order program participants, provide a retail discount coupon tied to a specific retailer and/or manufacturer.
Best Promotion Recognition/Reward	Working with retail chain(s), provide recognition/reward for manager/store with best ENERGY STAR lighting in-store promotion.
New Homeowner Promotion	Include ENERGY STAR lighting product coupon and/or product, in new homeowner greeting baskets.
Civic/Youth Organization Fundraiser Tie-in	For example, provide a free box of Girl Scout cookies with the purchase of an ENERGY STAR lighting product.
Other Program Concepts	Other program concepts will be considered.

In addition, the following program concepts could be part of a larger lighting program promotion.

Customized Sales Staff Training Seminars and Clinics	Work with retailers to refine/customize existing/planned sales staff training on ENERGY STAR lighting products. Our field support contractors could staff these trainings.
Bag Stuffer	Retailer places ENERGY STAR marketing piece and/or coupon in customers' shopping bags.
Home Center Magazines	Work with home centers to place articles promoting ENERGY STAR lighting products in their customer magazines.

Any proposals put forward by industry can build on existing Sponsor program efforts combining any of the above program concepts, or represent new approaches to the ENERGY STAR lighting market.

Format for Industry Response

To facilitate industry response, the Sponsors will give equal consideration to proposals initially provided in writing or presented orally to the group, either in-person or through a conference call. Final versions of proposals will, in most cases, need to be provided in writing.

Each industry response should provide the following information. For oral presentations, some of this information e.g., industry partner contact information, can be communicated as a follow-up e-mail or memo.

1. Name and brief description of proposing company or organization.
2. Names of other parties participating in the proposed program concept – the Sponsors encourage partnering among various industry parties.
3. Primary contact name, title and contact information (address, phone, fax and e-mail).
4. Brief narrative description of the proposed program concept. Describe what benefits the program concept brings to the Sponsors and to their customers. Please explain whether the industry party had already planned to implement the proposed idea or whether its implementation is contingent on Sponsor participation. What additional benefits and/or cost savings are created by joint industry and Sponsor implementation?
5. Targeted lighting product category, brand, and/or model number, if any – are only certain ENERGY STAR lighting products or brands targeted for the proposed program activity?
6. Duration/timeframe of the program – the maximum duration for this solicitation is through the end of 2002.

7. What is the geographic coverage of the proposed activity within the Northeast? If it is not region wide, what is the proposed geographic coverage? Is the industry party pursuing similar activities in other parts of the country?
8. Industry contribution – what financial and/or in-kind contributions are being proposed to support the program activity? For any financial contribution, please explain how the value of the contribution was derived.
9. Sponsor contribution - what financial and/or in-kind contributions are expected from the Sponsors? For any financial contribution requested, please explain how the request was derived.
10. Program impacts – what are the expected program benefits from your proposed program activity? Program benefits may include increases in ENERGY STAR product sales, ENERGY STAR market share, ENERGY STAR products stocked and displayed, or advertising impressions. How will you support any such claims? Can you provide historic sales data for the targeted product(s)? What data will you collect and make available to the Sponsors so that they can assess the effectiveness of any implemented industry-initiated program concepts? The Sponsors are particularly interested in developing relations that will allow long-term monitoring of ENERGY STAR lighting sales or market share in the region and, in some cases, on a state-by-state basis. It is important that the Sponsors are able to assess the impacts and cost effectiveness of each industry initiated program concept that is implemented.
11. Coordination with federal DOE/EPA ENERGY STAR program activities. Is the industry party proposing to leverage any on-going or planned federal ENERGY STAR program promotions or marketing materials?
12. Coordination and/or leveraging with other utility or state energy efficiency programs.
13. Targeting hard to reach populations – does the proposed activity have any attributes that would target ENERGY STAR lighting to low income or foreign language populations?
14. Other considerations that the industry party wants to bring to the Sponsors' attention (Optional).

Funding Availability

It is the Sponsors' intent to fund several proposals, if eligible, arising from this initial solicitation. Limited in-kind contributions, consisting primarily of labor from the Sponsors' retail support contractors, may also be available.

Proposal Selection Criteria

Proposals will be evaluated based on the following criteria:

- Projected impacts/benefits – what are the expected benefits that will be generated by the proposed program activity, e.g., additional number of units sold or stocked, increase in floor space dedicated to ENERGY STAR lighting products, number of advertising impressions, etc.?
- Cost leveraging – what value from industry will the Sponsors get for their contribution to the program concept?
- Ability and willingness to provide lighting product sales, shipment, market share or other relevant data on a timely and ongoing basis. Will the Sponsors be able to assess projected program impacts and benefits from the available data?
- Extent of regional coverage and proposed program duration.
- Coordination with other state and federal energy efficiency programs.

The Sponsors may refine any selected proposal through subsequent discussions and negotiation with the proposing party. The Sponsors also retain the right to reject any and all submitted proposals.

The Sponsors intend to evaluate, select and fund industry proposals on a rolling basis. Therefore, it is to the advantage of any submitting party to present their proposal to the Sponsors as soon as possible.

Proposal Contact Information

Questions regarding this solicitation should be submitted via e-mail to Glenn Reed, NEEP Residential Program Manager, at greed@neep.org or at 781-860-9177, x19. He will respond within two business days to your questions. At this time a bidders conference is not planned.

Proposal Cut-off Date and Submission Methods

The cut-off date for any proposals to be considered in this round of funding is 4:00 p.m. Friday, May 3, 2002. Requests received after that date may receive consideration based on merit and funding availability. As noted above, the regional program Sponsors intend to evaluate, select, and fund industry proposals on an on-going basis and proposals submitted early may be reviewed and selected prior to May 3.

Written Proposals

Written proposals should be sent to swagley@neep.org. If you need to send any or all of your proposal documents as hardcopy, please send twelve copies to:

Subid Wagley
NEEP
5 Militia Drive
Lexington, MA 02421
781-860-9177, x15

Submitted materials will not be returned. If there are components of your proposal that you consider proprietary, please identify them in your cover letter.

Oral Presentations

Requests for an oral presentation to the Sponsors should be submitted by the April x due date to Subid Wagley at swagley@neep.org or 781-860-9177, x15. NEEP will attempt to schedule a conference call or meeting within two weeks of a request. Industry partners submitting program concepts for consideration may forward NEEP proposal materials electronically for distribution prior to any conference call or meeting. These materials should be submitted to swagley@neep.org.

Attachment A

2002 Sponsors of the Northeast Energy Efficiency Partnerships
Residential ENERGY STAR® Lighting Initiative
Sponsors Participating in the Lighting Industry Solicitation are in **BOLD**

State/Sponsor	Number of Households Served
Connecticut	
Northeast Utilities (Connecticut Light and Power)	1,032,125
United Illuminating Company	282,000
Massachusetts	
Cape Light Compact	158,000
National Grid USA (Massachusetts Electric)	1,037,000
Northeast Utilities (Western Massachusetts Electric)	182,000
NSTAR Electric	771,000
Unitil/Fitchburg Gas and Electric	23,000
New Hampshire	
National Grid USA (Granite State Electric)	31,000
New Hampshire Electric Cooperative	-
Northeast Utilities (Public Service of New Hampshire)	-
New Jersey	
Conectiv Power Delivery	-
GPU Energy	-
New York	
Long Island Power Authority	936,000
New York State Energy Research & Development Auth.	-
Rhode Island	
Narragansett Electric	404,000
Vermont	
	280,000
Efficiency Vermont	
Total Residential Households of Initiative Sponsors Participating in the Lighting Industry Solicitation	5,136,000

**Sponsors of the Northeast Energy Efficiency Partnerships
Residential ENERGY STAR® Lighting Initiative
Current 2002 Lighting Rebate Offerings**

State	Utility/Agency	Lighting Rebates \$					
		CFLs	Interior Fixtures	Exterior Fixtures	Ceiling Fans/Kits-Hardwired	Ceiling Fans - Screw-in CFLs	Torchiere's
MA	Western Massachusetts Electric	3	15	10	15		20
	National Grid	3	15	10	15		20
	NSTAR Electric	3	15	10	15		20
	Unitil/Fitchburg Gas & Electric	3	15	10	15		20
	Cape Light Compact	3	15	10	15		20
CT	Connecticut Light and Power	3	15	10	15	3	20
	United Illuminating Company	3	15	10	15	3	20
NH	Granite State Electric	4	15	10	15		20
RI	Narragansett Electric	3	15	10	15		20
NY	Long Island Power Authority	3	10	10	10		15
VT	Efficiency Vermont	4	15	15	15		20

Note: These rebates are effective through mid-2002. Most of the Sponsors intend to continue their rebate offerings, subject to budget availability, through year-end, though rebate levels may change. CFL rebates are per package, with the exception of Efficiency Vermont's and Granite State Electric's rebates, which are per bulb.

Attachment C

Description of Joint Regional Lighting Program Activities

Accomplishments Since 1998

The Regional Lighting Initiative began in 1998. To support their residential lighting program efforts, the Sponsors have:

- Through the end of 2001, provided over \$45 million in consumer rebates representing the sale of over \$150 million in ENERGY STAR bulbs and fixtures.
- Spent an additional \$6 million on coordinated, regional marketing activities over the past three years, including highly effective TV and radio campaigns.
- Through their program retail support contractors, completed over 6,000 visits in 2001 to lighting retailers to provide sales staff training, update eligible product listings, assist with the placement of point-of-purchase (POP) materials, and replenish lighting rebate forms.
- Distributed and/or displayed over 3 million pieces of POP material items in 2001 alone.
- Offered ENERGY STAR lighting sales training to ALL industry actors including retail storeowners, sales staff, manufacturer representatives, management, buyers groups, distribution centers, and corporate contacts. The training is designed to motivate increased sales and promotion of ENERGY STAR lighting products.
- Distributed over 15 million mail order catalogs promoting ENERGY STAR bulbs and fixtures. These catalogs complement our retailer-based sales and aid in new product introductions.
- Worked with manufacturers and retailers to implement several highly successful targeted promotional events; including over 50 torchiere turn-ins resulting in the purchase of over 100,000 ENERGY STAR torchieres.
- Provided co-op advertising funds to retailers and manufacturers.

The Sponsor's participating in this solicitation retain the services of four program contractors providing the following program services:

- **Marketing, public regulations and communications** – provided by the Cadmus Group of Waltham, MA with Mullen acting as a subcontractor to Cadmus.
- **Coupon processing and Lighting catalog development, distribution and fulfillment** – provided by the Energy Federation, Inc. (EFI) of Westborough, MA.

- **Retailer support** – provided by Applied Proactive Technologies (APT) of Springfield, MA in Massachusetts, Rhode Island, New Hampshire, Vermont, and Long Island. In Connecticut, Competitive Resources, Inc. (CRI) of Wallingford, CT provides retailer support services.

These same contractors provide similar services for the Sponsors' ENERGY STAR appliance programs.

The success of the Sponsors' efforts can be demonstrated in several ways:

- The number of retail outlets selling ENERGY STAR lighting products has increased substantially in the last four years.
- For three consecutive program years – 1999, 2000, and 2001 – the Sponsors' regional marketing campaign was awarded EPA's *ENERGY STAR Excellence in Consumer Education Award*.
- Over 850 lighting retailers in the region participate in the Sponsors' ENERGY STAR lighting programs.

Attachment D

Eligible Lighting Products

For

Northeast Regional Joint Industry Solicitation

Light Bulbs

All ENERGY STAR bulbs qualified under the current specification that became effective on 10/1/01.

Fixtures

All ENERGY STAR interior or exterior fixtures qualified under the Version 3.0 specification, with the exception of the following:

- Work lights
- Any fixture not employing a CFL

Ceiling Fans

Any ENERGY STAR ceiling fan with a pin-based integral or attachable light kit.

ENERGY STAR pin-based attachable ceiling fan lighting kits

Distribution List:

Copy of the Distribution List is available upon request. It does include over 200 contacts representing over 100 different manufacturers and retailers of ENERGY STAR lighting products.

ATTACHMENT B

Memo and attachments of Local retailer survey and results of survey



Western Massachusetts
Electric

The Northeast Utilities System

Nantucket Electric

A National Grid Company



Unitil

Fitchburg Gas and
Electric Light Company

To: Massachusetts Non-Utility Parties
From: Massachusetts NEEP Utilities
Subject: ES Lighting Metric 2 – Threshold Achievement
Date: May 30, 2002

As stated in the Common Metrics for Program Year 2002 for Massachusetts Electric, Nantucket Electric, NSTAR Electric, Unitil/Fitchburg Gas & Electric, and Western Massachusetts Electric Company, the ES Lighting 2 Metric for threshold attainment reads, “Solicit input from local area small and independent retailers about their interest in participating in Industry Initiated Promotions with them. Document the findings.”

The attached survey instrument (Attachment A) was designed by the utilities, the field support vendor, Applied Proactive Technologies (APT), and consultants to the Non-Utility Parties (NUPs). APT administered the survey to 30 small and independent retailers. Attachment B shows the detailed responses given by each of the retailers.

A quick snapshot of the survey shows that retailers believe more advertising and lower pricing will increase the availability of ENERGY STAR® lighting products. Retailers still recognize high price points as the major barrier for ENERGY STAR lighting products.

In regards to industry initiatives, several retailers were receptive to such initiatives as manufacturer/retailer buy-downs, retailer promotions, coop advertising, stocking fees, sales spiffs and rebates. Rebates, spiffs and retailer promotions were among the most prominent responses; Mail-in rebates were the least popular choice for a future program/strategy.

Based on the data presented in this survey, the utilities will work to implement a strategy for industry-based promotions with small and /or independent local retailers. Due to some of the challenges of the smaller retailer such as limited space, smaller marketing budgets, and antiquated tracking systems, the utilities may have to look at a multi-pronged approach to accommodate this segment of the industry.

Small and Independent Retailer Survey: LIGHTING

Survey purpose: To solicit input from small and independent retailers about their interest in participating in Industry Initiated Promotions.

- 1) What can smaller/independent retailers such as yourself do to increase the availability and sales of Energy Star lighting products?
- 2) If the utilities discontinued rebates for Energy Star rated lighting products, what, if anything would you do to re-establish positive sales trends in New England? What could the utilities do to support your efforts?
- 3) Please rank your interest in the following activities on a scale of 1-5
(1=*would not participate* 2=*not likely to participate* 3=*might participate* 4=*likely to participate* 5=*would definitely participate*)

Manufacturer/Retailer buy-down	1	2	3	4	5
Retailer Promotions	1	2	3	4	5
Coop advertising	1	2	3	4	5
Stocking fees	1	2	3	4	5
Sales Spiff	1	2	3	4	5
Consumer instant rebates	1	2	3	4	5
Consumer mail-in rebates	1	2	3	4	5
Other suggestions _____	1	2	3	4	5
_____	1	2	3	4	5
_____	1	2	3	4	5
_____	1	2	3	4	5

- 4) What makes it difficult or prevents consumers from purchasing Energy Star CFLs and fixtures?
- 5) How do you see yourself promoting Energy Star lighting products if utility rebates are continued? If rebates are discontinued?
- 6) Are you willing to conduct promotional events that target specific products such as desk lamps or specialty CFL bulbs like dimmables, three ways, and reflectors? Would you consider stocking these products on a regular basis?
- 7) Are you willing to sponsor promotions to increase Energy Star brand awareness and understanding? What are you willing to do to support this effort?
- 8) Would you be willing to provide sales data as part of an industry initiated program? Why?

Massachusetts Small and Independent Retailer Survey: LIGHTING

Survey purpose: To solicit input from small and independent retailers about their interest in participating in Industry Initiated Promotions.

Same answers were consolidated with the quantity in parentheses

1) What can smaller/independent retailers such as yourself do to increase the availability and sales of Energy Star lighting products?

1. More advertising (7)
2. Lower pricing (4)
3. Poster with rebates for windows (2)
4. Advertise and run promos (2)
5. Prominent displays with stocking fees
6. More promotions
7. Have more POP-talking signs
8. Too small-mainly a kitchen and lumber yard
9. Carry product that the big box stores don't have
10. Fully stocked displays and less writing work on coupons
11. Not answered
12. Buy larger volume, lower pricing
13. End cap sales, more signage
14. In store advertising, promote the savings that multiple lights & fixtures will have in dollars to the average customer
15. More advertising and special promo days
16. Go back to \$5.00 rebates
17. Take advantage of the co-op advertising, more shelf space
18. I would probably promote it anyway but incentives are nice
19. Keep pushing them, prominent displays
20. More displays

2) If the utilities discontinued rebates for Energy Star rated lighting products, what, if anything would you do to re-establish positive sales trends in New England? What could the utilities do to support your efforts?

1. No answer (2)
2. End cap displays, supply us with better POP and more ads
3. Probably not a lot unless there was some sort of incentive
4. Display products more prominently, bright and attractive POP & signage

5. Give customer best value, advertise more
6. Sell products like we did before rebates were an option
7. Put your products on sale, the current retail prices are too high for consumers to buy on a regular basis. Keep supporting rebates and promotional ads at certain times of the year
8. Reduce price maybe, I run at a low price point now. Promote an anti-oil program showing how much oil is saved with the CFL's. Also, stop making incandescent bulbs
9. I would just leave it up to the customers whether they want energy efficient or something compact. Keep on advertising
10. Would have to be decided by corporate/Cable TV ads
11. Utilities could promote our company
12. Products won't sell without rebates-Utilities would have to find another way to subsidize products
13. Supply meters to show what you are saving
14. Yes, would try to re-establish trends/ Supply meters or visuals for point of sale
15. Discontinuation would kill the program/Utilities would have to lower the cost of electricity
16. Probably wouldn't sell products.
17. Advertise, displays in stores, posters
18. Talk to the customers, advertise
19. Probably discontinue the effort and not stock the same amount of product
20. Would continue promoting if the utilities would supply advertising
21. Would do nothing- it would be a waste of time, utilities could advertise more
22. Lower the price of the bulbs (2)
23. Rebates are what make the program work, unless you reduce retails and advertise
24. Same as usual- co-op and things like the pilot program for fixtures
25. Promotions, co-op advertising, stocking fees
26. SPIFF's, Red Sox tickets like last year, mail in's, promotions
27. Nothing
28. Advertise

3) Please rank your interest in the following activities on a scale of 1-5

(1=would not participate 2= not likely to participate 3=might participate 4=likely to participate 5=would definitely participate)

Manufacturer/Retailer buy-down	1 (3)	2	3 (7)	4 (6)	5 (11)
Retailer Promotions	1 (3)	2 (2)	3 (4)	4 (7)	5 (14)
Coop advertising	1 (4)	2 (2)	3 (3)	4 (8)	5 (13)
Stocking fees	1 (6)	2 (4)	3 (5)	4 (4)	5 (11)
Sales Spiff	1 (5)	2 (1)	3 (3)	4 (7)	5 (14)
Consumer instant rebates	1 (1)	2	3 (2)	4 (4)	5 (23)
Consumer mail-in rebates	1 (7)	2 (3)	3 (4)	4 (6)	5 (9)

Other suggestions	Mail or bill stuffer	1	2	3	4	5 (1)
	E-Mail certificates	1	2	3	4	5 (1)
	Buy 1 get 1 free coupons	1	2	3	4	5 (1)
		1	2	3	4	5

4) What makes it difficult or prevents consumers from purchasing Energy Star CFLs and fixtures?

1. Still higher price point than incandescent and we have to "police" customers
2. Consumers are unfamiliar with products unless we tell them about it (2)
3. Price point (7)
4. Municipalities
5. Price and the color of the light
6. Not having promotional rebates (2)
7. Mostly size of bulbs, light not exactly like incandescent
8. For the bulbs, it's whether or not it will fit in their fixtures
9. Not answered (2)
10. High cost, lack of education
11. Limited uses, coupon limitations
12. They don't believe in them/Lack of exposure
13. Cost, perceived quality of light
14. Size of bulbs, look of bulbs, price.
15. Price, past bad experiences with CFL's
16. I think the program is done very well now except for the reduction in retail amounts
17. Don't have any difficulties at this time
18. The out of pocket expense- not considering the long term savings
19. In my case, the fact that the same product is offered at a lower price in the NSTAR catalog than I can buy it for
20. The price of the bulb down the street- .25 at Benny's, product doesn't live up to standards quoted on packaging
21. Looks

5) How do you see yourself promoting Energy Star lighting products if utility rebates are continued? If rebates are discontinued?

1. Shelf space incentives
2. Same as we currently do (7)
3. Energy Star contest with \$30 gift certificate, not likely to promote if rebates discontinued
4. Same as now
5. Maximize POP if continued, Minimize shelf space if discontinued
6. We will sell with or without the rebate, we sold them before any rebates/We only carry one GE bulb so we are not very concerned
7. Maximizing sales to certain times of the year. For example, October would be a very big month and we would end up selling at or below cost

8. Same, if continued. Will phase out or reduce amount carried if discontinued
9. The same promotion maybe even more with displays. Just what sells if rebates are discontinued
10. Will not promote if discontinued (2)
11. We may sell as special orders
12. Same if continued, will not promote if discontinued (3)
13. Just continue with what we have been doing. Wouldn't work w/o rebates
14. Continue the way we are running it now. If discontinued they require some help and support
15. Continued- 2-4 Estar events/promos a year. Discontinued- dump all CFL's
16. None, except for regular shelf space
17. Promotion would drop drastically
18. We would continue promoting CFL's if continued, if discontinued on a conditional basis
19. Continued- SPIFFS, suggestive selling. Discontinued- No promises
20. The way I do now, with more co-op advertising and stocking fees
21. Promotions and selling contests
22. Advertising, we will still promote, in-store promotions

6) Are you willing to conduct promotional events that target specific products such as desk lamps or specialty CFL bulbs like dimmables, three ways, and reflectors? Would you consider stocking these products on a regular basis?

1. Yes (16)
2. Possibly- depends on price point
3. No-price point too high
4. No, we are a very small store that normally sells kitchen sets
5. Yes, as long as they tie into certain consumer buying trends
6. No- space problems
7. No (2)
8. Don't have enough room
9. Yes willing to do promotional events/Willing to stock with some support
10. Yes provided I can get co-op advertising and rebates/Will stock if rebate program stays in effect
11. Not my choice, would do promotion
12. Yes on promos, but would like to see how well sales are before I started to stock on a regular basis
13. Yes- want to stock these now but don't yet
14. Yes to both depending on cost, rebates and advertising

7) Are you willing to sponsor promotions to increase Energy Star brand awareness and understanding? What are you willing to do to support this effort?

1. Yes, advertising (2)
2. Not sure
3. Yes (5)
4. Whatever corporate will do (2)

5. Yes, same as usual
6. No, too small of a store
7. No (3)
8. Posters, posters, posters
9. Very little
10. Yes, we will advertise
11. Yes, in store promos only
12. Yes, continue program we are running
13. Yes, torchiere turn ins or regular promotions
14. Yes, weekend promos and newspaper ads (2)
13. Yes, stock product (2)
14. Maybe
15. Yes, all that I can do at my level
16. Yes- have extra people on hand
17. Yes, co-op advertising, talking up to my customers
18. Yes- flyers, bag stuffers, co-op advertising, special events

8) Would you be willing to provide sales data as part of an industry initiated program? Why?

1. Corporate decision (3)
2. Yes (13)
3. Maybe (2)
4. Yes, as long as it dealt with history and not actual sales dollar information
5. Too much work
6. No (2)
7. Yes, approximations only
8. Not capable with computer system
9. Yes, I believe in the product
10. Sure, if it helps to keep the program going
11. No-confidential information
12. Yes- most customers need some incentives to purchase good products, the Big Boxes have ruined the markets
13. Yes, to provide good info for future promotions
14. Could, but would be difficult to give accurate data

ATTACHMENT C

Example of Memo of Understanding for small/independent retailer

MEMORANDUM OF UNDERSTANDING

Aubuchon/Maxlite

Aubuchon Hardware , Maxlite and the Western Massachusetts Electric Company (WMECO) of the NEEP Energy Star Residential Lighting Program agree to jointly participate in an instant rebate/promotional fee program in order to promote the sale of Energy Star qualified lighting products through the Aubuchon Hardware retail chain. This promotion will take place from October 15 through December 31, 2002 for table lamps and specialty CFL's. **ALL** of the following stipulations **MUST** take place in order for reimbursement from WMECO to take place.

1. Aubuchon will supply APT with a list of store locations that will participate in this promotion.
2. Aubuchon will supply APT with the SKU's and what quantities will go into each location.
3. Maxlite agrees that all lighting products sold to Aubuchon for consideration of the instant rebate/promotional fee will comply with the current Energy Star Lighting requirements and are listed on the Energy Star website.
4. All products will be labeled with the Energy Star label.
5. The total orders of lighting products shipped to each Aubuchon retail location (5 total) will consist of the following product mix:
 - Maxlite Table Lamp Model # SKF26TAL- 24
 - Maxlite Table Lamp Model # SKF26TAB- 42
 - CFL Model #'s: SKB15EA- 15 watt A bulb- 504
 - SKB20EA- 20 watt A-bulb- 504
 - MLS25EA3- 3 way spiral - 108
 - SKQ14EA/DP- 14 watt mini quad twin pack- 126
 - MSL11EA/DP- 11watt mini spiral twin pack- 126
6. WMECO will pay a \$5.00 promotional fee for the specialty bulbs and \$15.00 for the table lamps. Maxlite will submit shipping data by store, by SKU to EFI for reimbursement. Final price point after the \$5.00 promotional fee for the A bulbs will be \$.99, \$1.49 for the 3 way spiral and \$1.99 for the twin packs. Final price point after the \$15.00 promotional fee for the table lamps will be \$9.99.

7. All Point of Purchase materials and advertising must be approved by utilities prior to going to print. Advertisements must list all participating utility logos (to be provided via email by APT). WMECO will provide a total of \$3000.00 in co-op advertising support for this initiative.
8. Aubuchon Hardware will actively pursue the use of endcaps and prominently placed product displays. Maxlite will provide end cap displays including light strips and signage indicating WMECO's participation in the reduced pricing to the consumer.
9. Maxlite/Aubuchon will adhere to the following redemption guidelines:
 - Maxlite will submit desk lamp and CFL shipping data by store location to EFI and will be reimbursed \$5.00 per specialty bulb and \$15.00 per table lamp shipped. (330 unit maximum for table lamps, 6840 for specialty CFL's)
 - Aubuchon will submit specialty CFL and table lamp sales data by store location and by SKU to WMECO as back up documentation.
10. Stores must be enrolled in the Residential Energy Star Lighting Program in order to be eligible to participate in the October promotion.

Current allocated funding for this promotion:

UTILITY	ALLOCATED FUNDING / CAP
WMECO	\$ 39,150

Participating Store Locations:

WMECO: (5 locations) Easthampton, Greenfield, Hadley, Shelburne Falls, and
Turners Falls.

Jeff Aubuchon/Co-op Administrator/Aubuchon Hardware

Tony Fornuto/WMECO

ATTACHMENT D:

Proposal to refine program presented by Subcommittee of NEEP Appliance and Lighting Working Group (ALWG)

Outline of Lighting ITP's for 2003:

Standard Offer:

The implementation of the 2002 ITP process yielded a common set of delivery alternatives. The ALWG will utilize these strategies and incorporate them into the structure of the 2003 program. These will be labeled as "Standard Offers." The Standard Offers will include both strategies from which industry can choose from to form the basis for their submittal as well as ALWG generated strategies.

The Standard Offer designs will include:

- 1) Manufacturer and/or retailer product buy-down options
- 2) Manufacturer and/or retailer mail-in rebate options
- 3) Manufacturer, retailer and/or ALWG generated on going Torchiera turn-ins
- 4) ALWG issued instant rebate Fixture and CFL Coupons

Note: there also can be a manufacturer and/or retailer instant rebate option, so long as the proposing entities handle the coupon processing and payment to the appropriate parties.

On-going torchiera turn-ins will be open to all retailers in 2003 and will be supported with a \$25 rebate.

Retailers not participating in the ITP's will have instant rebate coupons available for fixtures and torchieres and possibly cfls. There will be no instant coupons in retail locations participating in the ITP's where the products overlap and "double dipping" is a potential issue.

Timeframe:

ITP's will cover two timeframes:

- 1) April 1- September 30
- 2) October 1- December 31
- 3) January 1- March 31 will be a continuation of the current ITP process.

Calendar: April-September ITP's will initially be tied into Earth Day and then go beyond.

Jan 15:	RFP's are posted on web-site.		
Feb 7 :	Responses due from industry.		
Feb 7-16:	APT quality checks/finalizes	proposals.	
Feb 17-28:	ALWG reviews and selects initiatives.		
Mar 1:	Initiatives awarded.		
Apr 1:	Promotions begin.		

Calendar: October – December ITP's will initially be tied into Change-A-Light and then go beyond.

May 1:	RFP's are posted on web-site.
June 1:	Responses due from industry.
June 1-15:	APT quality checks/finalizes proposals.
June 15-30:	ALWG reviews and selects initiatives.
July 1:	Initiatives awarded.
October 1:	Promotions begin with ties to Change-A-Light

Miscellaneous:

Specialty bulbs to be considered for inclusion in the ITP's are:

Circlines
28+ wattage bulbs
Reflectors
Mini-twists or mini-quad
3-way
Dimmables

Rebate amounts for specialty bulbs will vary by product category and be between \$2-\$5.

Format:

Invitation to Participate forms will be posted on the APT and/or Better way to save web-site(s). Retailers and manufacturers will be notified of the opportunity and will be able to download the forms for completion and submittal to APT for initial screening.

Forms will be developed and structured to accommodate a Manufacturer, Retailer, Buying group or joint implementation participation.

Forms will cover:

- What they are doing
- How they are doing it
- Timeframes and timelines
- How the promotion will be tracked
- Who will be involved
- What they want from the ALWG
- What their contribution will be

Forms will require signature from all parties participating in the proposal.

Structure:

The overarching strategy will be to encourage industry to provide submittals that umbrella the NE region, specifically, the areas of Massachusetts, Long Island, Vermont, Rhode Island, Connecticut and New York and yet maintain flexibility for accommodating individual ALWG member requirements.

The ALWG will provide industry the opportunity to submit proposals to leverage their dollars with specific “pools of money” set aside by the ALWG for each of the timeframes listed above.

To stimulate greater response, more comprehensive strategies and compliance for completion of submittals, the ALWG will utilize APT to offer ITP response development and assistance to industry partners. To eliminate industry confusion, funnel and distill responses, APT will initially act as the single point of contact to ensure proposals are complete and accurate prior to their submittal to the ALWG for selection.

The ITP responses will be evaluated by the ALWG as an umbrella “one size fits all” for the region. It will be communicated to submitters that upon acceptance, ALWG members may be looking to tailor specific parameters for their individual territories to meet certain budgetary and/or rebate requirements.

Should the ALWG desire to seek clarification or modify submittals, APT will work with industry to obtain any additional information or approval to modifications.

Once the ALWG has made the selections:

- APT will notify both those selected and those not selected.
- APT will provide winning submitters the contact names of who they will be working with in the different ALWG member territories. i.e., APT clients (National Grid, NStar, LIPA, Efficiency Vermont, and Cape Light), Connecticut and NYSEERDA.

Individual unsolicited ITP's may also be accepted dependant upon a particular Sponsor's needs.

Requirements of industry will be clearly defined in the ITP. This will include: signage (submitted for pre-approval), co-op advertising funding, end cap displays, end cap space commitments, product samples, reduced pricing, up front commitments from both the retailer and manufacturer, sales data, shipping data, receiving documents, etc.

The products to be promoted, available funding, and timeframes will be incorporated into the ITP by the utilities.

Manufacturers and retailers will be notified that their campaign will be evaluated measured to determine the progress to goal. Based on the outcome of the evaluation and progress to goal, the ALWG may reallocate resources to other campaigns or new initiatives.

ATTACHMENT E

Excerpt of future application to participate in program defining programs to be proposed by industry players

Type of promotion: ☐ Product Buy-down ☐ Ongoing Torchiere Turn-in Event
☐ Mail-in Rebate ☐ Coop advertising
☐ CFL Matching Instant Rebate ☐ Other _____

Targeted area(s) of promotion*: ☐ Massachusetts - Massachusetts Electric Co., NSTAR Electric, Unitil/Fitchburg Gas & Electric,

Western Massachusetts Electric, Co., Cape Light Compact

☐ Rhode Island - Narragansett Electric Co.

*Sponsors in Connecticut, Long Island, and Vermont will review all proposals and may elect to participate in selected promotions. If selected, is the proposal flexible enough to accommodate different types of promotions in Connecticut, Long Island, and/or Vermont?

☐ Yes ☐ No

Time and duration of the promotion: Start date _____ End Date _____

Products to be promoted: (list additional product on separate page)

Description: _____ Product SKU : _____ Quantity: _____
Manufacturer _____

Description: _____ Product SKU : _____ Quantity: _____
Manufacturer _____

Description: _____ Product SKU : _____ Quantity: _____
Manufacturer _____

Description: _____ Product SKU : _____ Quantity: _____
Manufacturer _____

Delivery date of product? _____

Funds requested from the sponsors? \$ _____

Funds provided by the retailer? \$ _____

Funds provided by the manufacturer? \$ _____

Total cost of the promotion? \$ _____

The participating Sponsors are required to submit customer and/or sales data to state regulators as a condition of the ITP process. What types of data can you provide for tracking purposes? Check all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Store sales data | <input type="checkbox"/> Historical data |
| <input type="checkbox"/> Shipping data | <input type="checkbox"/> Customer information (via rebate/order form) |
| <input type="checkbox"/> Number of customer transactions | <input type="checkbox"/> Number of participants |
| <input type="checkbox"/> Receiving data | <input type="checkbox"/> Other _____ |

Required Attachments for all applications:

- List of eligible stores with Store #, address, zip code
- List of all ENERGY STAR labeled lighting products to be sold by retailer by store location with projected delivery dates
- Sample sales data/shipping invoice reports with projected dates of submittals
- Co-op advertising information requirements. See below for details.

Other Provisions:

General

- Promotions will be evaluated/measured to determine the progress toward objectives. Sponsors can reallocate resources to alternative initiatives based on the outcome of the evaluation.
- If manufacturers are unable to meet delivery dates, Sponsors reserve the right to reallocate resources to other manufacturers.
- The amount of incentive provided to consumers shall not exceed the retailer-established purchase price of the product. This Invitation to Participate is valid from April 1- September 30, 2003. Preference will be given to those promotions that last the duration of the promotional time-frame.
- Incentive reimbursement is contingent upon the submittal of sales and/or shipping data by the dates established in the initiative Memorandum of Understanding (MOU).
- Sponsors can reallocate funding if the retailer and/or manufacturer do not meet terms set forth in the MOU.

Product Buy-down

- **Retailer must place and maintain signage during the entire period of the promotion indicating instant discount is courtesy of participating sponsors; template to be provided by sponsor's marketing contractor.**
- **Retailer must dedicate end cap/high visibility location for products.**
- Data must be submitted in a timely manner as determined in the initiative MOU.
- Minimum incentive request for buy-down initiative is \$5,000.
- Qualifying products and incentive amounts are as follows:

CFLs:

\$4	Circulines, 2C, and 2Ds	\$3	3-ways
\$4	Dimmables	\$3	Globes/Capsules
\$3	Reflectors	\$2	Mini-twists or mini-quads
\$3	28+ wattage bulbs	\$2	Standard 15-25w bulbs* (spirals, tubes)
\$3	A-lamps		

*Standard and mini- twist Blister Packs: 2 or 3 bulbs per package: \$2.00 per package
4 or 5 bulbs per package: \$3.00 per package
6 or greater per package: \$4.00 per package*

(Increased incentive amounts may be available for Specialty bulb multi-packs)

* Bulb product mix must contain no more than 25% (subject to negotiation) for standard bulbs in MA and RI.

Fixtures:

\$10.00 – Outdoor
\$15.00 – Indoor and table/desk lamps, ceiling fans/light kits with pin-based lighting
\$20.00 – Torchiere floor lamps

Promotions in Connecticut, Long Island, and/or Vermont may have rebate levels, product mix, and limits that vary from those stated, depending upon the type of promotion.

Fixtures eligible for rebate:

All hardwired ENERGY STAR® compact fluorescent (CFL) fixtures, ceiling fans with pin-based CFLs, or pin-based CFL fan kits. This excludes high pressure sodium, HIDs, LEDs, fluorescent tubes, portable work lights, and halogen or incandescent fixtures with motion sensors.

Instant rebate coupons will not be available to those retailers conducting a buy down promotion. All instant rebate coupons will be removed before the start date of the promotion as determined in the MOU.

Mail-in Rebate

- Retailer and/or manufacturer must match Sponsor contribution; sponsors' portion must not exceed \$4 per bulb
- Retailer and/or manufacturer must pay 100% of processing costs
- Retailer and/or manufacturer must pay for the printing of the coupon; template to be provided by sponsors
- Retailer must submit sales data on a monthly basis
- Purchase Limit: 10

Instant Rebate for ENERGY STAR labeled bulbs

- Retailer and/or manufacturer must match Sponsor contribution; Sponsors' portion must not exceed \$4 per bulb
- Retailer and/or manufacturer must pay for the printing of the coupon; template to be provided by sponsors
- Retailer and/or manufacturer must pay 100% of processing costs
- All coupons must be redeemed by October 30, 2003
- Purchase Limit: 10

Torchiere Turn-in Promotion

- Ongoing torchiere turn-ins will receive an additional \$5 incentive on the existing torchiere rebate for a total of \$25.
- Retailer must dispose of halogen lamps in accordance with local recycling/disposal guidelines.
- Retailer must keep a customer log of torchieres turned in for verification. Sponsors will provide retailers with the customer log.

Coop advertising

Coop advertising is available. Sponsors may co-op 30% of the ad placement up to \$30,000, as a region. For those initiatives not involving all Sponsors, the co-op advertising percentage and dollar value caps will be subject to the number of participating retail locations and budget available.

- All ads must be reviewed by the Sponsors beforehand in order to receive reimbursement.
- The following information will be required before funding is approved:
 - Date(s) the ad will run
 - Cost of the advertisement
 - Name(s) of the paper(s) the ad would appear in
 - What the final price of the bulbs & fixtures will be?
 - For radio and television ads, the advertising schedule by station.
 - Sponsors have ad slicks and graphic files available with the ENERGY STAR logo and Sponsor logos if needed. All ads must include the Sponsor and ENERGY STAR logo(s).
- **Please fax a draft of the ad to Gary Elliott (APT) at 413-827-8752 before placing the advertisement**
- Please allow adequate time (i.e. two weeks) for the Sponsors to review the ad before the submission deadline. All ads need prior approval from the Sponsors.
- The invoice and tear sheet for the ad(s) should be submitted within 30-45 days after the placement date in order to qualify for reimbursement.



Nexus Market Research

**Multi-Year Program Evaluation and Market Progress
Reporting (MPER) Plan for the
Massachusetts Residential Lighting Program**

Submitted to:

**Fitchburg Gas & Electric Light Company
National Grid
NSTAR Electric
Western Massachusetts Electric Company**

Submitted by:

**Nexus Market Research, Inc.
Dorothy Conant
Research Into Action, Inc.
Ben Bronfman
Shel Feldman Management Consulting**

November 2002

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Appendix: Program Theory in Tabular Form

Executive Summary

Background and Objectives

This document is a plan for program evaluation and Market Progress Evaluation Reports (MPER) for the Residential Lighting Program in Massachusetts run by Fitchburg Gas & Electric, Massachusetts Electric, Nantucket Electric, NSTAR Electric, and Western Massachusetts Electric.

This plan reflects NMR's current understanding of the program and its objectives. It should be viewed as a flexible working document that can be adjusted according to changing market conditions and program operating constraints such as budget.

The utilities have been participating in the Northeast Regional Residential Lighting Initiative, the overall goal of which is to create and sustain positive change in the residential lighting market, increasing availability, consumer acceptance, and use of energy-efficient hard-wired, screw-based, and portable lighting technologies. Based on the current status of the market and the opportunities for creating market effects with program investments and activities, the specific goals and objectives for the initiative are necessarily different for CFLs and fixtures. The overarching goal for the CFL market is to further the development of a self-supporting market for CFLs. Since the fixture market is less mature, the goal for this portion of the program is to increase the variety of products and the market acceptance of energy-efficient, residential lighting fixtures.

The elements of the program as it is operated in Massachusetts include:

- contractor-provided support to lighting retailers;
- "instant" rebates for bulbs and fixtures; and
- catalog sales featuring a variety of CFLs and fixtures at discounted process accompanied by consumer education.

This study is intended to assist the utilities by providing guidance as to the steps that should be taken to monitor, assess, and report the effects and outcomes of its program in a timely and cost-effective manner. The utilities can use the results of the "Market Progress Evaluation Reports" to modify or enhance its program, as necessary, and to provide evidence to policy makers as to the effectiveness, value, and sustainability of its efforts.

Plan Summary

Section 3 of this document details the recommended plan for implementing the Multi-Year Evaluation and Market Progress Reporting Plan (MPER) for the Massachusetts Residential Lighting program. Table E.1 below summarizes the recommended sequence of activities. It may be expected that the exact activities and sequence will change based on the input of the evaluation contractors, the cost of the various elements once the plan is finalized, and changing market conditions and operating constraints.

Table E.1: MPER Implementation Schedule

(Monthly and quarterly activities appear only the first time they occur; they should be expected in all succeeding months and quarters)

When	What to Do	Why to Do It	Priority
Dec. 2001	Approach other utilities and regions about sharing costs of universal product code (UPC) sales tracking for screw-based CFLs and separately for torchieres	UPC sales tracking methodology is already established—best way to assess overall market activity (including outside of program); state-level data can be obtained with regional or national cost sharing.	High
Jan. 2002	Issue RFP for 2002 Evaluation and Monitoring (other than sales tracking)	It is critical for the evaluation contractor to be very familiar with the program.	High
Feb. 2002	Select evaluation contractor	Same as above	High
	Decide whether or not to pursue UPC sales tracking	Assess overall market activity and market share	High
Mar. 2002	First monthly meeting with evaluation contractor	Ensure timely feedback and ongoing information transfer	Moderate
	(If opted) Issue RFP (with or without other utilities) for UPC sales tracking	Assess overall market activity and market share	High
Apr. 2002	Finalize detailed evaluation plan	Make adjustments based on new information	NA
	First quarterly tracking report summarizing information from program implementers and program database	Put critical program tracking information in one easily accessible place	High
	(If opted) Select contractor for UPC sales tracking	Assess overall market activity and market share	High
May-Aug. 2002	Implement consumer Web TV or Telephone/mail survey—sample size 600	Assess awareness, satisfaction, retention, placement, number purchased, place of purchase, willingness to pay, information sources, spillover	High
	Implement consumer in-home audit—sample size 100	Assess number of fixtures and installed bulbs per home, hours of use; saturation is a critical measure of program success	High
	Implement consumer participant survey—sample size 200	Assess process-related issues: Satisfaction, retention, placement, information sources	Moderate

Table E.1: MPER Implementation Schedule (cont.)

When	What to Do	Why to Do It	Priority
May-Aug. 2002 (cont.)	Implement participating and non-participating retailer survey—sample size 50	Assess knowledge of efficient lighting, perceptions of consumer demand, stocking intentions, satisfaction	Moderate
	Implement retail mystery shopping survey—sample size 30—conducted by implementation contractor and supervised by evaluation contractor	Assess knowledge of efficient lighting, active sales to consumers, use of display materials	Moderate
	Implement retail shelf space and model count survey—sample size 50—conducted by implementation contractor and supervised by evaluation contractor	Assess number and types of bulbs and fixtures available to consumers, including those formerly only in catalog	High
	Implement manufacturer depth interviews—sample size 20	Assess perception of consumer demand, price of production, progress toward standardization of pin types, R&D plans	Moderate
	Review ENERGY STAR product list	Assess number of qualifying models, number of manufacturers of qualifying models	High
	Implement telephone survey (sample size 100) or focus groups (two groups) among multifamily end-users	Assess use of CFLs and fixtures in common areas and outdoor applications, awareness, satisfaction, knowledge, retention, number purchased, place of purchase, willingness to pay, information sources	High
	Assess evaluation results from other regions	Understand trends in other markets and other evaluation methods	Moderate
	Implement depth interviews with industry experts	Produce projections of penetration curves with Delphi method	High
Sep. 2002	Produce MPER outline	Give utilities, regulators, and interveners a chance to react to general content	High
Oct. 2002	Receive data from ENERGY STAR Homes evaluation concerning lighting	Incorporate information on lighting in the new construction sector	High
Nov. 2002	Draft MPER report	Give utilities, regulators, and interveners a chance to react to specific content	High
	(If opted) First quarterly UPC sales data report (Jul.-Sep. period)	Assess overall market activity and market share	High
Dec. 2002	Final MPER report		High
Oct. 2002-Jan. 2003	Review evaluation results as they come in and incorporate findings into program implementation efforts as appropriate		NA

Table E.1: MPER Implementation Schedule (cont.)

When	What to Do	Why to Do It	Priority
Jan. 2003	Decide whether to renew contract with evaluation contractor or issue new RFP	It is critical for the evaluation contractor to be very familiar with the program.	High
	(If opted) Decide whether to renew contract with UPC sales tracking contractor	Assess overall market activity and market share	High
Mar. 2003	Finalize detailed evaluation plan	Make adjustments based on new information	NA
Apr.- Aug. 2003	Implement consumer Web TV or Telephone/mail survey—sample size 600	Assess awareness, satisfaction, retention, placement, number purchased, place of purchase, willingness to pay, information sources, spillover	High
	(If UPC sales tracking not opted for) Implement consumer in-home audit—sample size 100	Assess number of fixtures and installed bulbs per home, hours of use; saturation is a critical measure of program success	High
	Implement consumer participant survey—sample size 200	Assess process-related issues: Satisfaction, retention, placement, information sources	Moderate
	Implement participating and non-participating retailer survey—sample size 50	Assess knowledge of efficient lighting, perceptions of consumer demand, stocking intentions, satisfaction	Moderate
	Implement retail mystery shopping survey—sample size 30—conducted by implementation contractor and supervised by evaluation contractor	Assess knowledge of efficient lighting, active sales to consumers, use of display materials	Moderate
	Implement retail shelf space and model count survey—sample size 50—conducted by implementation contractor and supervised by evaluation contractor	Assess number and types of bulbs and fixtures available to consumers, including those formerly only in catalog	High
	Review ENERGY STAR product list	Assess number of qualifying models, number of manufacturers of qualifying models	High
	Implement telephone survey (sample size 100) or focus groups (two groups) among multifamily end-users	Assess use of CFLs and fixtures in common areas and outdoor applications, awareness, satisfaction, knowledge, retention, number purchased, place of purchase, willingness to pay, information sources	High
	Assess evaluation results from other regions	Understand trends in other markets and other evaluation methods	Moderate
Sep. 2003	Produce MPER outline	Give utilities, regulators, and interveners a chance to react to general content	High

Table E.1: MPER Implementation Schedule (cont.)

When	What to Do	Why to Do It	Priority
Oct. 2003	Receive data from ENERGY STAR Homes evaluation concerning lighting	Incorporate information on lighting in the new construction sector	High
Nov. 2003	Draft MPER report	Give utilities, regulators, and interveners a chance to react to specific content	High
Dec. 2003	Final MPER report		High
Oct. 2003-Jan. 2004	Review evaluation results as they come in and incorporate findings into program implementation efforts as appropriate		NA
Jan. 2004	Decide whether to renew contract with evaluation contractor or issue new RFP	It is critical for the evaluation contractor to be very familiar with the program.	High
	(If opted) Decide whether to renew contract with UPC sales tracking contractor	Assess overall market activity and market share	High
Mar. 2004	Finalize detailed evaluation plan	Make adjustments based on new information	NA
Apr.-Aug. 2004	Implement consumer Web TV or Telephone/mail survey—sample size 600	Assess awareness, satisfaction, retention, placement, number purchased, place of purchase, willingness to pay, information sources, spillover	High
	(If UPC sales tracked not opted for) Implement consumer in-home audit—sample size 100	Assess number of fixtures and installed bulbs per home, hours of use; saturation is a critical measure of program success	High
	Implement consumer participant survey—sample size 200	Assess process-related issues: Satisfaction, retention, placement, information sources	Moderate
	Implement participating and non-participating retailer survey—sample size 50	Assess knowledge of efficient lighting, perceptions of consumer demand, stocking intentions, satisfaction	Moderate
	Implement retail mystery shopping survey—sample size 30—conducted by implementation contractor and supervised by evaluation contractor	Assess knowledge of efficient lighting, active sales to consumers, use of display materials	Moderate
	Implement retail shelf space and model count survey—sample size 50—conducted by implementation contractor and supervised by evaluation contractor	Assess number and types of bulbs and fixtures available to consumers, including those formerly only in catalog	High

Table E.1: MPER Implementation Schedule (cont.)

When	What to Do	Why to Do It	Priority
May-Aug. 2004	Review ENERGY STAR product list	Assess number of qualifying models, number of manufacturers of qualifying models	High
	Implement telephone survey (sample size 100) or focus groups (two groups) among multifamily end-users	Assess use of CFLs and fixtures in common areas and outdoor applications, awareness, satisfaction, knowledge, retention, number purchased, place of purchase, willingness to pay, information sources	High
	Assess evaluation results from other regions	Understand trends in other markets and other evaluation methods	Moderate
Sep. 2004	Produce MPER outline	Give utilities, regulators, and interveners a chance to react to general content	High
Oct. 2004	Receive data from ENERGY STAR Homes evaluation concerning lighting	Incorporate information on lighting in the new construction sector	High
Nov. 2004	Draft MPER report	Give utilities, regulators, and interveners a chance to react to specific content	High
Dec. 2004	Final MPER report		High
Oct.-Dec. 2004	Review evaluation results as they come in and incorporate findings into program implementation efforts as appropriate		NA

Program tracking reports (including information from the program database and from program implementers) will be produced on a quarterly basis, and Market Progress Evaluation Reports (MPER) will be produced on an annual basis. The quarterly reports, produced by the evaluation contractor, will focus on the market impacts, but should include the program accomplishments from the utilities, in order to present a continuing, consistent picture of the program. The MPER merely documents the information transfer that has been going on between the Evaluator and Program Manager throughout the year. It is recommended that monthly “team” meetings be instituted to discuss program progress and issues, and as necessary weekly, informal conversations between the evaluation contractor and the utility evaluation manager. Team meetings should be composed of members of the utility evaluation and project team, the evaluation contractor, and field staff (by phone), where appropriate. This will ensure that all parties hear the feedback on an ongoing basis. The MPER should present no surprises or new information.

The recommended budget for evaluation and tracking totals \$325,000 for 2002, \$235,000 for 2003, and \$235,000 for 2004—which represents about 5% of the program budget. This recommended budget assumes that the Massachusetts utilities would be able to share UPC sales tracking costs with utilities in other states or regions. An expanded budget option assumes that the Massachusetts utilities bear the costs of the UPC data by themselves, which would increase the budget by \$50,000 per year to \$375,000 for 2002, \$285,000 for 2003, and \$285,000 for 2004. A third budget option—assuming that UPC data is not collected, that in-home audits are conducted every year instead of just the first year, that program personnel review lighting

evaluations from other regions, that meetings are quarterly rather than monthly, and that quarterly reports are downscaled—would total \$210,000 in 2002, \$175,000 in 2003, and \$175,000 in 2004.

Certain aspects of evaluation lend themselves to regional or national efforts. In the case of lighting, one example is collecting sales data for CFLs (and possibly torchieres)—the only way to know with relative certainty how much activity is going on outside the program. (Even with a regional or national approach, however, state-level data for Massachusetts would still be available.) Cooperating in such data collection efforts with others in the Northeast would reduce costs for Massachusetts utilities, and provide a richer database of information to help determine what is working. Expanding this to a national effort would make the data even more cost-effective and informative. Initial interviews with representatives of other utilities and organizations indicates interest in such a collaborative effort, but they emphasized to us that they are moving ahead with their own plans, and *would have to be approached soon* about working jointly. Also, three of the Massachusetts utilities involved in this program have utilities in other states, which should facilitate coordination in Connecticut, New Hampshire, and Rhode Island.

Indeed, because this is fundamentally a regional program, a regional approach to evaluation would seem to be called for. It should be noted, however, that many of the obstacles to such an approach come from Massachusetts itself. For example, regulators have inflexible dates and metrics that drive the evaluation process. Other obstacles come from other states and utilities, including their own inflexible schedules, and in some cases limited budgets. Working with other states would require some flexibility on the part of all involved, as well as vision and will.

It is highly recommended that the utilities consolidate evaluation contracts as much as possible in order to allow better communication, greater contractor familiarity with the program, more cost effective evaluation, and less time for the utilities. This could involve issuing a single contract for most aspects of evaluation, and renewing it annually. One aspect of evaluation that should have a separate contractor is collecting and analyzing retailer sales data, partially because it is a different task, and partially because having a separate contract would facilitate working with other states and regions.

Market Effects, Market Indicators, and Data Sources

Section 2 of this document outlines the theory behind the program, which is part of the justification for the recommended approach to evaluation and monitoring. The Appendix of this document describes the theory in tabular form, including market effects and market indicators that may be measured in future evaluations, their links with market barriers and program stimuli, and how the program is expected to evolve over time. Table E.2 below summarizes market effects, market indicators, and data sources. The primary market indicators—the most important ones to measure—are in italics.

Table E.2: Market Effects, Market Indicators, and Data Sources: Consumers and Multi-Family End-Users

<u>Market Effects</u>	<u>Market Indicators</u>	<u>Data Sources</u>
<ul style="list-style-type: none"> • Awareness of the full range of benefits of CFLs and compact fluorescent fixtures increases 	<ul style="list-style-type: none"> • Perceptions of properties of CFLs and CF fixtures: <ul style="list-style-type: none"> ➢ Energy use/savings ➢ Longevity ➢ Environmental effects ➢ Quick startup/lack of flicker ➢ Dependability ➢ Fit of CFLs in fixtures (variety available) ➢ Credibility of claims ➢ Availability of dimmable CFLs ➢ Availability of 3-way CFLs ➢ Availability of recessed cans ➢ Availability of ceiling fans ➢ Product testing/ compliance ➢ Aesthetics of CF fixtures 	C, EU
<ul style="list-style-type: none"> • Willingness to “try” CF fixtures increases 	<ul style="list-style-type: none"> • <i>Proportion of households and multifamily buildings with at least one CF fixture</i>; number of CF fixtures bought in last year 	IH, EU
<ul style="list-style-type: none"> • CFLs being viewed as primary lighting alternative increases 	<ul style="list-style-type: none"> • <i>Proportion of installed bulbs that are CFLs</i>; number of CFLs bought in last year; proportion installed; proportion replacing CFL or an incandescent 	IH, EU
<ul style="list-style-type: none"> • Willingness to pay for CFLs and CF fixtures increases 	<ul style="list-style-type: none"> • Proportion willing to pay for: <ul style="list-style-type: none"> ➢ CFLs with rebate ➢ CFLs with no rebate ➢ CF fixtures with rebate ➢ CF fixtures with no rebate 	C, EU
<ul style="list-style-type: none"> • Number of products sold without rebates increases 	<ul style="list-style-type: none"> • <i>Number sold without rebates</i>: <ul style="list-style-type: none"> ➢ <i>Qualifying CFLs</i> ➢ <i>Non-qualifying CFLs</i> ➢ <i>Qualifying CF fixtures</i> ➢ <i>Non-qualifying CF fixtures</i> 	S
<ul style="list-style-type: none"> • More consumers begin to buy more bulbs from retailers that carry CFLs, and fewer from those that don't. 	<ul style="list-style-type: none"> • Proportion of bulbs (CFLs and fluorescents) bought at different types of retailers: grocery, discount, home improvement, hardware, catalogers and on-line sources, etc. (consumers only) 	C
<ul style="list-style-type: none"> • CF fixtures being viewed as primary lighting alternative increases 	<ul style="list-style-type: none"> • <i>Proportion of installed fixtures that are CF fixtures</i>; number of CF fixtures bought in last year 	IH, EU
<ul style="list-style-type: none"> • Consumers begin to buy CFLs from retailers that had not previously carried them. 	<ul style="list-style-type: none"> • Proportion of bulbs (CFLs and fluorescents) bought at different types of retailers: grocery, discount, home improvement, hardware, catalogers and on-line sources, etc. 	C

Data sources: C=consumer survey; S=sales tracking; IH=in-home survey; EU=multifamily end-user survey; S=sales tracking. *Italics indicate primary indicators.*

Table E.2: Market Effects, Market Indicators, and Data Sources: Retailers

<u>Market Effects</u>	<u>Market Indicators</u>	<u>Data Sources</u>
<ul style="list-style-type: none"> • Retailers perceive increase in consumer demand 	<ul style="list-style-type: none"> • Retailers' perceptions of consumer demand. 	R
<ul style="list-style-type: none"> • More retailers view CFLs and CF fixtures as viable markets without rebates 	<ul style="list-style-type: none"> • Retailers' stated likelihood of continuing to stock CFLs and ES fixtures without rebates 	R
<ul style="list-style-type: none"> • Awareness and knowledge of ES CFLs and fixtures among retail sales staff increases 	<ul style="list-style-type: none"> • Salespeople actively inform consumers about ES products and benefits 	M
<ul style="list-style-type: none"> • Number and types of stores carrying ES CFLs and fixtures increases 	<ul style="list-style-type: none"> • <i>Number and types of stores carrying ES CFLs and fixtures</i> 	R
<ul style="list-style-type: none"> • Shelf space devoted to ES CFLs and fixtures increases 	<ul style="list-style-type: none"> • <i>Shelf space devoted to ES CFLs and fixtures</i> 	SS
<ul style="list-style-type: none"> • Number of CF fixture models available increases 	<ul style="list-style-type: none"> • <i>Number of CF fixture models available in retail stores</i> 	SS
<ul style="list-style-type: none"> • Prices of ES CFLs decrease 	<ul style="list-style-type: none"> • <i>Prices of ES CFLs (without rebate)</i> 	SS
<ul style="list-style-type: none"> • Retailers carry products previously available only in catalog 	<ul style="list-style-type: none"> • <i>Number of products carried by retailers that had previously been available only in catalog</i> 	SS
<ul style="list-style-type: none"> • Retailers introduce new products on their own, replacing the function of the catalog 	<ul style="list-style-type: none"> • Number of new products retailers introduce on their own 	SS

Data sources: S=sales tracking; R=retailer survey; M=mystery shopping; SS=shelf space survey.
Italics indicate primary indicators.

Table E.2: Market Effects, Market Indicators, and Data Sources: Manufacturers

<u>Market Effects</u>	<u>Market Indicators</u>	<u>Data Sources</u>
<ul style="list-style-type: none"> Manufacturers perceive increase in consumer demand (only partially attributable to MA program) 	<ul style="list-style-type: none"> Manufacturers' perceptions of consumer demand 	MF
<ul style="list-style-type: none"> Number of models of ES fixtures increases (based on 2002 standards), especially recessed cans and ceiling fans (only partially attributable to MA program) 	<ul style="list-style-type: none"> <i>Number of models of ES fixtures</i> 	ES
<ul style="list-style-type: none"> Number of manufacturers of ES fixtures (based on 2002 standards) increases; (only partially attributable to MA program) 	<ul style="list-style-type: none"> <i>Number of manufacturers of ES fixtures</i> 	ES
<ul style="list-style-type: none"> Prices of CFLs go down because of mass production (only partially attributable to MA program) 	<ul style="list-style-type: none"> Price of production per CFL compared to previous year 	MF
<ul style="list-style-type: none"> Continued R&D investment results in further refinement of CFL features (only partially attributable to MA program) 	<ul style="list-style-type: none"> Number of CFL models with new or improved features 	ES
<ul style="list-style-type: none"> Manufacturers develop industry group to standardize replacement bulb pin types (only partially attributable to MA program) 	<ul style="list-style-type: none"> Number of manufacturers interested in industry group to standardize replacement bulb pin types; Manufacturers report organizing industry group to standardize replacement bulb pin types; Manufacturers report standardizing replacement bulb pin types 	MF

Data sources: MF=manufacturer survey; ES=ENERGY STAR product list. *Italics indicate primary indicators.*

Table E.2: Market Effects, Market Indicators, and Data Sources: Builders

<u>Market Effects</u>	<u>Market Indicators</u>	<u>Data Sources</u>
<ul style="list-style-type: none"> Builders perceive increase in consumer demand 	<ul style="list-style-type: none"> Builders' perceptions of consumer demand 	H
<ul style="list-style-type: none"> Proportion of homes built with ES fixtures increases 	<ul style="list-style-type: none"> <i>Proportion of homes built with ES fixtures as a proportion of all homes built</i> 	H
<ul style="list-style-type: none"> Number of builders incorporating ES fixtures increases 	<ul style="list-style-type: none"> <i>Number of builders who build homes with ES fixtures</i> 	H
<ul style="list-style-type: none"> Number of builders viewing ES fixtures as primary lighting alternative for new housing increases 	<ul style="list-style-type: none"> Stated builder intentions to install ES fixtures in the future 	H

Data sources: H=ENERGY STAR Homes Program Evaluation. *Italics indicate primary indicators.*

Program Outputs and Outcomes

In addition to the above *market* effects, the program has its own ongoing tracking that may be used to address *program* outputs and outcomes. These primary indicators of program outputs and outcomes, which will be included in quarterly tracking reports, are shown in Table E.3.

Table E.3: Program Outputs and Outcomes

Number of rebates given out through retailers—CFLs and fixtures
Number of rebates given out through catalog—CFLs and fixtures
Number of copies of catalog sent to consumers
Number of salespeople taking ENERGY STAR quiz (part of <i>There's a Better Way to Save Energy</i>)
Number and types of retailers having regular contact with circuit riders
Number and types of stores with point-of-sale displays, materials, and demonstrations
Products carried in catalog (to be compared with products carried in stores)
Utility coordination with industry group for standardization of replacement bulb pin types
Number of ENERGY STAR fixture rebates for new homes
Number of builder staff receiving training
Number of rebates given to public housing authorities, large multifamily, and other near-residential companies—CFLs and fixtures
Number of regular visits and calls to multifamily decision makers

Massachusetts Residential Lighting Initiative Market Transformation Plan For the years 2003 through 2005

December 2002

Massachusetts Electric

A **National Grid** Company



Unitil

Fitchburg Gas and
Electric Light Company

Nantucket Electric

A **National Grid** Company



**Western Massachusetts
Electric**

The Northeast Utilities System

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Preface

This document describes the Residential Lighting Initiative and the plans of the Massachusetts utility companies for the years 2003 through 2005. This plan is designed to be flexible and dynamic in order to accommodate the constant evolving of the industry and utility environment.

The five Massachusetts utilities (Massachusetts Electric, Nantucket Electric, NSTAR Electric, Unitil/Fitchburg Gas and Electric, and Western Massachusetts Electric) represent approximately 2 million residential customers in the state. In order to achieve economies of scale, utilities have joined together in the design, development and delivery aspects of the Initiative to send a strong, clear, consistent message to consumers, retailers and manufacturers. Massachusetts is also part of a larger, regional initiative facilitated by the Northeast Energy Efficiency Partnerships (NEEP). The regional approach described herein has been developed to allow for a variety of specific activities and interventions all of which support the common goal of transforming the residential lighting market from it's current state to one where energy efficient products become the product of choice for consumers.

The Northeast Regional Residential Lighting Initiative is designed to support the development, introduction, sale and use of energy efficient, high quality residential lighting products. The overall goal of the Initiative is to continue to create and sustain positive change in the residential lighting market, increasing product availability and selection, consumer acceptance and use of energy efficient hard-wired and screw-based lighting technologies. The sponsoring utilities plan to assess the impacts of their interventions on a regular basis and adjust program strategies and tactics accordingly.

Significant market research has been conducted to date and utilized to develop this Plan. These source documents are listed in the Market Characteristics and Analysis portion (Section II) below.